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## Belgium – Consumer Credit

**Full title:****Law on Consumer Credit – 12 June 1991**Please note:**Act of 19 March 2014 on the introduction of Book VII “Payment and Credit Services” in the Code of Economic Law** – link [here](#)

Art. 3 integrates the Consumer Credit provisions contained in Articles 5 and 6 outlined below into Book VII of the Code on Economy Law. The contents of Arts 5 and 6 are now contained in Articles 64 and 65 of Title 4, Chapter 1 of Book VII of the Code on Economy Law. Arts 64 and 65 do include a couple of changes compared to the provisions contained in Articles 5 and 6 of the 1991 Consumer Credit Act – these are marked in red.

Art. 53(2) – repeals the Law on Consumer Credit of 12<sup>th</sup> June 1991.

**Royal Decree of 19/03/2014 fixing the entry into force of the Act of 19 March 2014 introducing Book VII of the Code of Economic Law** - link [here](#)

Section 2: The provisions of Book VII, Title 4, Chapter 1 (which includes Arts. 64/65) will enter into force on 01/04/2015

**Code of Economic Law** – 28/02/2013 – Link [here](#)**Title of relevant section:**

Chapter II, Promotion of Credit – Articles 5 and 6

**Chapter II****Promotion of Credit****Article 5****Section 1****(Art. 64 Book VII Code of Economic Law)**

Any advertisement (*for a credit agreement*) which mentions an interest rate or any figures relating to the cost of the credit to the consumer must include in a clear, concise, prominent, and if need be, audible way, by means of a representative example, the following basic information (*i.e. standard information*):

1. The borrowing rate, fixed and/or variable, together with information relating to any expenses/charges included in the total cost of the credit to the consumer;
2. The amount of credit;
3. The annual percentage rate (APR);
4. The duration of the credit agreement;
5. In the case of credit in the form of deferred payment for a specific product or service, the cash price and the amount of any down payment (*i.e. advance payment*), and
6. If applicable, the total amount payable by the consumer and the amount payable by instalments.

For all advertising, whatever the medium used, the King shall determine the size of the characters (*i.e. typeface/ font size*) with regard to information concerning the nature of the operation, its duration, the annual percentage rate and, in the case of a promotional rate, the period for which the special rate is available, and in relation to the fixed or variable nature of

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the borrowing rate and the amount of the repayments.<sup>1</sup>

The amount of credit must be based on the average amount of credit which, depending on the type of credit agreement advertised, is representative of all the offers from the lender or credit intermediary. If several types of credit agreement are offered simultaneously, a separate representative example must be provided for each type of credit agreement.

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## Section 2

Except for the advertising referred to in § 1 above, all advertising must contain the following message: "Be careful/ Watch Out, borrowing money also costs money<sup>2</sup>." Whatever the medium used, the King shall determine the size of the characters (*i.e. typeface/ font size*) used in the message (see separate Royal Decree for formatting stipulations<sup>1</sup>).

**From 01/04/2015:** "All advertising concerning consumer credit must state the following message "Watch out, borrowing money also costs money". Whatever the medium used, the King shall determine, where appropriate, the size of the characters used in the message. (Art. 64, sect. 2 Book VII Code of Economic Law)

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## Section 3

If, in order to obtain credit or to obtain it on the terms and conditions marketed, it is compulsory/ mandatory to take out an agreement for an ancillary service related to the credit agreement, in particular insurance, and the cost of this service cannot be determined in advance, the obligation to take out such an agreement must also be stated in a clear, concise, prominent, and audible way, together with the annual percentage rate.

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## Article 6

### (Art. 65 Book VII Code of Economic Law)

## Section 1

The following is prohibited: all advertising for a credit agreement that is focused specifically on:

1. Encouragement of consumers unable to meet their debts, to use/ handle credit
2. Enhancing (*emphasising*) the ease or speed with which credit can be obtained
3. Encouragement to consolidate or centralise outstanding loans, or which state that current credit agreements have little or no influence on the assessment of an application for credit

(From 01/04/2015 the text below will become Section 2 of Art. 65 Book VII Code of Economic Law)

Also prohibited is any advertisement for a credit agreement which:

1. Refers to an authorisation (licence), a registration or an inscription/record as defined in this act (i.e. refer to an approval/ licence or registration number for the credit lender or intermediary)
  2. Referring to the maximum annual percentage rate or the legality of applied rates, gives the impression that these rates are the only ones which can be applied; any reference to the maximum annual percentage rate legally permitted and to the legally permitted maximum lending rate must be made unequivocally, legibly and conspicuously or where appropriate audibly, and must accurately state the maximum APR legally permitted
  3. Indicates that a credit agreement can be concluded without information that assesses the consumer's financial situation
  4. States an identity, address or aspect other than that provided to the SPF Economie, P.M.E., Classe moyennes et Energie (FPS Economy, S.M.E.s, Self-employed and Energy Contact Centre) by the advertiser as part of the approval process, registration, or record
  5. When indicating a type of credit, uses a different description than that used in this Act's
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<sup>1</sup> This is referring to Art. 14 (Chapter 4) of the Royal Decree of 21 June 2011 –amending various decrees on consumer credit and implementing Articles 5, § 1, para. 2, and § 2, and Article 15, para. 3 of the Law of 12<sup>th</sup> June 1991 on Consumer Credit.

<sup>2</sup> In French: "Attention, emprunter de l'argent coûte aussi de l'argent"; In Dutch: "Let op, geld lenen kost ook geld"

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designation

6. States attractive rates without indicating the specific or restrictive conditions to which the advantage of these rates is subject

7. Indicates with words, signs or symbols that the value of credit is made available in cash.

**From 01/04/2015:**

8. mentions the word "Free Credit" or a similar expression, other than the indication of the APR.

9. promotes an act which must be considered a breach or violation of this Act or its decrees. (as per Art. 65 (s.2 – points 8 and 9) of Book VII, Title 4, Chapter 1 of the Code of Economic Law)

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**Section 2**

Any advertising including the phrase "free credit" is prohibited, as is any similar reference except for the statement of the annual percentage rate. (Note – this therefore allows the expression "0% credit")

**From 01/04/2015:** Section 2 will be deleted. The text from Section 2, above will be integrated into point 8 of what will become a new Section 2.

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**Section 3**

Any advertising is prohibited which promotes an act that should be considered a breach or violation of this Act or its decrees/ bylaws

**From 01/04/2015:** Section 3 will be deleted. The text from Sect. 3, above will be integrated into point 9 of what will become a new Section 2.

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